

TIRNO-10-R-RPR

Questions and Answers -- First Round

January 28, 2010

The IRS is unable to offer an extension on the due date of 12:00 Noon ET on February 12, 2010. Proposals must be received at or before this date and time as described in the RFP. The anticipated date of award is May 1, 2010.

1. **Question:** Do you prefer if the vendor already has a data center?

IRS Response: The IRS has no preference.

2. **Question:** Do we have to use a certain brand or company as the supplier of hardware?

IRS Response: The vendor can choose their own supplier so long as minimum IRS security requirements are met. The RFP Controlled Access Protections states that all computer systems are required to be FISMA compliant and that NIST Standards and Guidance must be implemented and adhered to by the vendor.

3. **Question:** Do you have restrictions on operating system and programming environment?

IRS Response: Java would be the most optimal language; likewise, Oracle SQL would be the Database and query language.

4. **Question:** Will offering faster implementation time line affect the vendor negatively? Can the change of time line be taken as "lack of understanding of a complex system"?

IRS Response: A faster implementation will not have a negative impact. We are unable to fully determine the effect, until reading the proposal. Proposals will be evaluated in accordance with the evaluation factors listed in the RFP.

5. **Question:** How much technical detail should proposal include?
i.e. "Industry standard secure connection" or "IP and SSL certificate controlled connection over virtual ports"

IRS Response: The proposal should be detailed enough to demonstrate compliance with the above mentioned standards (i.e., FISMA, NIST, etc.) and offer a high level design that would describe interfaces, technologies or needs of the government.

6. **Question:** What level authentication, as described in National Institute of Standards and Technology (NIST) Special Publication (SP) 800-63, is required by the IRS for the Preparer Registration system? Level 1, 2, 3, or 4?

IRS Response: It is believed that the system will be at least a Level 2 and no higher than a Level 3 based on stated objectives.

7. **Question:** Can the certificate be a professional quality PDF that can be printed by the end user? Or, does it need to be a printed and mailed certificate? If printed and mailed, would the contractor be responsible for the certificate stock, envelopes, postage, and other associated costs?

IRS Response: The certificate (and associated costs) needs to be developed, printed and mailed by the vendor. The certificate will need to be approved by the IRS., and should not be easy to replicate.

8. **Question:** Under the "support batch mailing functions", does the IRS require the ability for the system to generate the batch mailing files for printing and fulfillment by IRS personnel or is it anticipated that the contractor would print, stuff, apply postage, and fulfill the batch mailings? If the contractor is responsible for the printing:

1. What type of documents will be mailed (standard 8 1/2" by 11" papers, custom glossy tri-folds, or otherwise)? If something other than standard-sized papers, can additional details be provided about the materials to be printed to accurately assess the costs?
2. How many documents / pages of paper would be included in a single mailing?
3. How many estimated mailings would be performed on an annual basis?
4. What is the total number of mailed articles that is estimated to be sent each year?
2. If the contractor is responsible for the stuffing, mailing and delivery:
 1. Would the contractor be responsible for the postage costs or would an IRS postage account be utilized?
 2. Are there any requirements with regards to the delivery mechanism? For example, first class only? First class with return receipt? Priority mail? Overnight?

IRS Response: It is expected that the vendor would perform all print and mail functions. Delivery should be by first class mail. The specific information that will be mailed has not been finalized.

9. **Question:** For paper registration forms:

1. Would the contractor be responsible for printing the paper forms?

2. Are preparers allowed to request a paper form mailed to them? If so, is the contractor responsible for mailing them to the prospective registrants, including the postage costs?
3. What is the estimated length, in pages, of the registration materials package (including the forms, instructions, and any other required material)?
4. Can a downloadable form be used instead of mailing a paper form to users?
5. Is it anticipated that the same paper form can be used for both registrations and renewals or does the IRS envision two versions of the form, one for registrations and one for renewals?
6. Is the Vendor responsible for getting OMB Approval of form(s)?

IRS Response: The vendor will be responsible for printing paper forms, including all postage costs. We expect the vendor to develop the form for the application. The final version of the form and associated process would need to be approved by the IRS. We would expect that a downloadable version of the form be made available to registrants. We also anticipate two versions of the forms, one for registration and one for renewal. The vendor is responsible for obtaining OMB approval. The vendor will prepare the OMB package and submit it to the IRS Contracting Officer Technical Representative (COTR). The COTR will forward the package to OMB for approval.

10. Question: For uploaded documents, can the IRS provide more details as to the types and quantities of documents that would be uploaded, such as:

1. What type of information is expected to be uploaded?
2. What will be the average number of pages that would be scanned and uploaded?
3. How many preparers will be uploading documents?
4. Will uploads be required for registration only or both registration and renewal?
5. Are there specific file formats that the IRS will allow or disallow?

IRS Response: This information is not available at this time. Additional information will be provided to the successful offeror during the term of the contract. This IRS cannot estimate the number of preparers who will be uploading documents, although, we expect that it will be a very small percentage. The types of documents that may be uploaded can range from proof of address and foreign citizenship to documentation supporting claimed CE courses. Uploads may be required at any point during the registration and/or renewal processes.

11. Question: Can the "Welcome Letter" be delivered electronically?

IRS Response: Yes, provided initial notification is sent to a verified address of record to meet authentication requirements.

12. **Question:** Would the IRS consider alternatives that charge a different fee for paper applications, rather than just one fee for registration and one for renewal?

IRS Response: The IRS will set its user fee without regard to how the registration/renewal process takes place (paper or electronic). However, the vendor may choose to charge a different fee to capture each of the electronic and paper processing costs.

13. **Question:** Would the government consider adjusting the procurement strategy to a total small business set aside?

IRS Response: The government will not make such a change.

14. **Question:** Does the IRS anticipate that the contractor will be responsible for all credit / debit / payment fees and costs?

1. If so, what is the amount of the user fee that the IRS will be requiring from preparers (not including the contractor fee)?
2. Does the IRS anticipate two different IRS user fees for registration and renewal? If so, what are those different fees?

IRS Response: The answer to question 14 is yes. The answer to sub-question 1 is that the user fee amount is still being finalized. The answer to sub-question 2 is yes, we do anticipate different user fees. Those amounts are still being finalized.

15. **Question:** Does the IRS require two distinct transactions on the preparer's card or account, one for the IRS fee and one for the contractor fee?

IRS Response: This is not an IRS requirement.

16. **Question:** How many test administrators would need to be included in the database?

IRS Response: The number of test administrators is yet to be determined.

17. **Question:** What information regarding the test administrators must be included in the database?

IRS Response: The specific information has not been finalized at this point.

18. **Question:** Would the contractor be responsible for creating and managing a registration, approval and removal process for the test administrators?

1. If so, can the government provide more information about the registration, approval, and removal processes as well as the number of test administrators estimated to be participating?
2. Is there a fee associated with the registration of test administrators?

IRS Response: No, the approval process for the test administrators will be handled by the IRS.

19. Question: Is the format for electronically providing test scores already defined?

1. If not, can the contractor, in conjunction with IRS staff, define the standardized format that all test administrators must use to submit test scores?

IRS Response: No, both the registration vendor and the testing vendor, along with IRS staff will determine this format.

20. Question: How many continuing education providers would need to be included in the database?

IRS Response: The specific information has not been finalized at this point.

21. Question: What information regarding the continuing education providers would need to be included in the database?

IRS Response: The specific information has not been finalized at this point. Once this has been determined, we will facilitate discussions to formalize this process and associated information that will be required. This will likely happen post-award.

22. Question: Would the contractor be responsible for creating and managing a registration, approval and removal process for the continuing education providers?

1. If so, can the government provide more information about the registration, approval, and removal processes as well as the number of continuing education providers estimated to be participating?
2. Is there a fee associated with the registration of continuing education providers?

IRS Response: No, the approval process for the CE providers will be handled by the IRS. This information will be shared with the registration vendor once this process has been finalized.

23. **Question:** [Section I, Online IT Applications, General]: It is our assumption, the on-line IT application will be entirely hosted and maintained off-site at the contractor's facility. Is this assumption correct?

IRS Response: Yes; however, NIST has a section that addresses Security Controls in External Environments. The vendor will be held to the same standard that we would adhere to if the service were housed locally and there is the possibility of additional security controls being required based on the vendor's environment and the agency's level of trust.

24. **Question:** [Section I: Online IT Application, Registration, Page 5]: Beginning April 1 2011, the RFP described a real-time compliance check. Can you please provide a description of the systems and associated interfaces required to perform this real-time compliance check?

IRS Response: The specific information has not been finalized at this point.

25. **Question:** [Section I: Online IT Application, Continuing Education, Page 6]: The RFP mentions that preparers who are attorneys, CPAs, enrolled agents, enrolled actuaries, or enrolled retirement plan agents will not have the annual educational requirements. The RFP also mentions that preparers who are attorneys, CPAs or enrolled agents will not have to pass the test. However, can we assume that these people listed will still have to register in the system?.

IRS Response: Yes, attorneys, CPAs, enrolled agents, enrolled actuaries; enrolled retirement plan agents will also be required to register in the system.

26. **Question:** [Section I: Online IT Application, Continuing Education, Page 6]: According to the RFP, there is an annual CE requirement for preparers. However the renewal process occurs every three years. What happens to preparers who do not meet their annual CE requirement, but are not in their third year of their renewal cycle? Would these individuals get to keep their PTIN?

IRS Response: The renewal phase may be a staggered approach based on social security numbers. Tracking and verification of annual CE requirements will begin during the renewal phase; the earliest possible timeframe would be September 2013. It is expected that the vendor will generate a letter to the preparer, alerting them to the missed responsibility, allow some additional time to comply, and refer those who fail to comply to the IRS for further action.

27. **Question:** [Section I: Online IT Application, Continuing Education, Page 6]: Can you please expand upon who and in what circumstances would an individual's CE requirements get waived or extended? How often does this occur?

IRS Response: CE requirements may be waived under special circumstances such as health, military service, other absences from the United States, and other

compelling reasons. We expect the vendor to develop a process to collect this information and send it to the IRS for final determination.

- 28. Question:** [Section I: Online IT Application, Test Result Recordation, Page 6]: In the Test Result Recordation section of the RFP, it is stated that a preparer will be required to pass a test prior to registration. Later in the same paragraph, the RFP indicates that a preparer needs to pass the test within 3 years of test availability. Can we assume from these statements that the initial group of registrants will not be required to take the test to register in the system?

IRS Response: Yes, for the initial registration phase (September 2010 – April 2011) any registrant will not be required to pass a test prior to registration. Beginning in approximately April 2011, all new registrants will be required to pass a test prior to registration and receiving a PTIN.

- 29. Question:** [Section I: Online IT Application, Test Result Recordation, Page 6]: Can you please expand upon how many test administrator interfaces are anticipated (i.e. How many test administrators does the IRS plan to work with?)

IRS Response: At this point, the number of test administrators is unknown.

- 30. Question:** [Section I: Customer Service, Page 7]: Under Customer Service, the RFP states that the service must be available to preparers at least 30 days prior to system availability. What type of services are anticipated prior to system availability? Are paper based registrations and payment services anticipated during this 30 day window?

IRS Response: We do not anticipate any payment services to be available to the registrants prior to September 1st. However, we do expect customer service functions be available prior to 30 days to provide electronic and toll free guidance to preparers. The system itself, including payment functionality, would only need to be available by 9/1.

- 31. Question:** [Section I: Certification and Accreditation Process, Page 13]: Will the IRS be performing the certification and accreditation of the vendor system? If no, is it the expectation that the vendor will certify and accredit themselves?

IRS Response: Yes, IRS will have overall responsibility for performing the certification and accreditation of the system. The vendor will be responsible for maintaining system compliance.

- 32. Question:** [Section I: General]: Will the Government ensure that all tax filing returns for tax year 2011 that are submitted by tax preparers, only be accepted if a valid Preparer Tax Identification Number is provided?

IRS Response: This issue is still being discussed internally.

33. **Question:** [Section II: General]: Given the nature of the program's scope and expected overall timeline, the Government could potentially obtain increased value with a longer contract base period. Would the Government consider a base period longer than one year? For example two years?

IRS Response: The IRS may consider this option. Offerors may make alternative proposals which utilize longer base periods. Pricing should be provided for both the period of performance stated in the RFP, and any period of performance in an alternative proposal. If contract terms are being offered contrary to the RFP, these must be clearly marked as alternative proposals.

34. **Question:** [Section III: General]: We recognize the nature of a no-cost contract but given there are dependencies that are outside the contractor's scope, would the Government consider a mechanism that provides reimbursement from the Government to the contractor for issues outside our control? Examples include any legislative or external issues outside the IRS's immediate control that could delay or alter the requirements of the RFP. Moreover, any schedule delivery constraints where IRS has a dependent activity to perform (e.g., Certification and Accreditation, MBI approvals, etc.).

IRS Response: These would be resolved via a bilateral negotiated modification.

35. **Question:** [Section III: Section 6.0 Type of Contract, Page 32]: We believe there could be potential instances for project scope changes driving costs that may not be passed on to the tax preparers. Will there be a separate mechanism that will be available in addition to the no-cost contract structure? For example, would the Government consider opening a separate CLIN or Purchase Order that could be used if the Government requires contractor assistance for unforeseen issues?

IRS Response: Project scope changes to be resolved via a bilateral negotiated modification.

36. **Question:** [Attachment 2 Section I a, Page 18] Attachment 2 indicates that "[a]ll employees of the vendor assigned to the contract are subject to a background investigation in accordance with Internal Revenue Manual (IRM) 10.23.2 "Vendor Investigations" ". Given the short duration of the initial release and the amount of time generally required to obtain staff-like access, as well as the fact that work is expected to be performed on vendor premises on vendor equipment, we recommend that the requirement for Background Investigations be clarified to identify which information is SBU and to allow contractor personnel without access to SBU to perform on the contract without (or prior to) obtaining clearance for staff-like access. We believe this is consistent with the language of 10.23.2.2 which states that contractors must be investigated if they "require access, wherever the location, to IRS owned or controlled facilities or work on contracts that involve the design operation repair or maintenance of information systems,

and/or require access to sensitive but unclassified information, security items or products."

IRS Response: The IRS is not willing to allow access without obtaining the full background investigation clearance for vendors that have access to SBU. Attachment 2 indicates that all employees are *subject* to investigation, but all employees may not be investigated. Contractor employees who are not required to be investigated by the Internal Revenue Manual (IRM) will not be investigated. This determination will be made by the IRS COTR, in conjunction with the IRS National Background Investigation Center. The IRS will work with the successful offeror to define which individuals will need to be cleared and to expedite their clearance.

37. **Question:** What is the total number of return preparers that will register on the new system beginning in September 2010? Does the estimate of 900,000 - 1,200,000 return preparers stated in the RFP include the 646,520 (as of 2006) Certified Public Accountants, the 1,180,386, Attorneys, and the 42,896 active enrolled agents?

IRS Response: Yes, this number also includes estimates of CPAs, Attorneys, and Enrolled Agents . Although, the numbers in these groups that actually prepare taxes is unknown.

38. **Question:** [This question was withdrawn by the potential offeror who asked the question.]

IRS Response: N/A

39. **Question:** [follow up to 38] If not, is there an "interested bidders list" available of firms we can contact regarding potential teaming arrangements?

IRS Response: The IRS does not have such a list.

40. **Question:** Is there a planned bidders conference?

IRS Response: The IRS does not plan to hold such a conference.